1	2	3	4
20.	Aurangabad Ashok	16.50	Loss Making
21.	Airport Kolkata Ashok	19.39	Loss Making
22.	Khajuraho Ashok	2.19	Loss Making
23.	Varanasi Ashok	8.38	Loss Making
24.	Kanishka	92.37	Loss Making
25.	Indraprastha (AYN)	43.39	Loss Making
26.	Chandigarh Hotel Project	17.27	Loss Making
27.	Ranjit	29.28	Loss Making
28.	HCI-Centaur Hotel Juhu, Mumbai	153	Loss Making
29.	HCI-lndo Hokke Hotels Ltd.	6.51	Profit Making
30.	HCI-Centaur Hotel Airport, Mumbai	83	Loss Making
31.	Paradeep Phosphates Ltd.	151.70	Loss Making

Functioning of Global Trust Bank

†1923. SHRI KRIPAL PARMAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of FINANCE be pleased to state:

(a) whether he is aware that the downfall of Global Trust Bank had started three and a half years ago and by March 2002, it had gone bankrupt due to its corrupt business and its involvement in Ketan Parekh scandal, even though Reserve Bank continued to monitor it and it took three and a half years to close this bank;

(b) if so, whether mistakes committed by Reserve Bank and the loopholes of auditing system were responsible for it; and

(c) the action being taken by Government to prevent such incidents in future and to implement cautious monitoring, transparency and better auditing standards in Reserve Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The deterioration in the financial health of erstwhile Global Trust Etank came to RBI's notice when the bank's

† Original notice of the question was received in Hindi.

performance was reviewed by it in July-October, 2002. Even earlier there were some disturbing developments. RBI initiated corrective action and provided an opportunity to GTB management to infuse capital. When these efforts failed, on the recommendations of RBI, Govt. placed GTB under an order of Moratorium on 24.07.2004. Later, the Bank was merged with Oriental Bank of Commerce through an amalgamation scheme which was notified on 13th August, 2004. This was done to prevent collapse of GTB and to safeguard the interests of depositors and the trust of the customers in banking industry.

(c) In order to avoid the recurrence of such failures in future, RBI has taken several steps which, *inter-alia,* include inroduction of capital adequacy standards on the lines of the Basel norms; prudential norms on asset classification, income recognition and provisioning; introduction of valuation norms and capital for market risk for investments enhancing transparency and disclosure requirements for published accounts; aligning exposure/ Capital market exposure norms; introduction of off-site monitoring system and strengthening of the supervisory framework;/introduction of Risk Based Supervision for banks and introduction of a framework for prompt corrective action.

Modification of Rules for Promoting Foreign Investments

1924. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state.

(a) whether in order to attract foreign investment, Government have decided to make certain amendments in the relevant rules to dispense with the requirement for foreign investors to a "No Objection" Certificate from Indian counterparts before making fresh investments;

(b) whether with this change in the rules, the intending foreign investors can issue fresh shares through automatic route without clearance from foreign Investment Promotion Board; and

(c) what other modifications in the rules have been made for promoting foreign investments by way of FDI and Flls?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANJCKAM): (a) No. Sir.

(b) Does not arise.